

*** THIS DOCUMENT IS CURRENT THROUGH THE JANUARY 2004 REVISIONS ***

TITLE 16. CONSUMERS, COMMERCIAL PRACTICES, & CIVIL INFRACTIONS

CHAPTER 9. PAWNBROKERS

CDCR 16-900 (2004)

16-900. GENERAL PROVISIONS

900.1 The provisions of this chapter are adopted pursuant to the "Act to regulate and license pawnbrokers in the District of Columbia," approved August 6, 1956, (70 Stat. 1036; D.C. Code § 2-1901 et seq. (1981 Ed.)), which is also referred to in this chapter as the "Act."

900.2 Except as otherwise provided, the Director of the D.C. Department of Consumer and Regulatory Affairs or the Director's designee (also referred to in this chapter as the "Director") shall perform the functions vested in the Mayor by the Act with respect to licensing, inspection, investigation, and control of operations of pawnbroking operations, as set forth in this chapter and the Act.

CDCR 16-901 (2004)

16-901. APPLICATION FOR PAWNBROKER'S LICENSE

901.1 Application for the license required under § 2 of the Act (D.C. Code § 2-1902 (1981 Ed.)) shall be made in the manner provided in § 3 of the Act (D.C. Code § 2-1903 (1981 Ed.)) and this section.

901.2 The license application shall be filed with the Director in the form prescribed by the Director.

901.3 The power of attorney required by § 3(a) of the Act (D.C. Code § 2-1903 (1981 Ed.)) shall be filed with the application for license.

901.4 Applications for new licenses and for annual renewals shall be referred to the Chief of the Metropolitan Police Department (also referred to in this chapter as the "Chief of Police"), who shall cause an investigation to be made of each individual so applying, and of all officers of a corporation so applying, as the case may be.

901.5 The investigation by the Chief of Police shall include, without limitation, the fingerprinting of each individual and corporate officer named on each application for new license.

901.6 The Chief of Police shall also investigate the appropriateness of the physical arrangement of the premises of the applicant, if more than one business is to be conducted at that premises.

901.7 The Chief of Police shall report to the Director the facts developed by each investigation which have a bearing on the moral character of the applicant, together with the Chief's recommendations.

CDCR 16-902 (2004)

16-902. CONDUCT OF OTHER BUSINESS ON THE SAME PREMISES

902.1 A licensee who conducts transactions other than pawnbroker transactions at the same place of business shall provide clearly recognizable separation between that portion of the place of business in which only pawnbroker transactions are conducted and the remaining portions of the place of business in which the licensee conducts transactions other than pawnbroker transactions, for which he or she is licensed or otherwise authorized to operate.

902.2 The provision for separation required under this section shall in each case be approved by the Director.

902.3 The licensee shall keep articles received as pledges clearly labeled and distinguished from any other article or merchandise of whatever nature which is stored or displayed in the place of business.

902.4 No licensee shall modify the physical appearance, obliterate any identification marks or number, or alter any pledge in any manner.

CDCR 16-903 (2004)

16-903. SUSPENSION OR REVOCATION OF LICENSE

903.1 If the Director serves notice to the licensee to show cause why the license should not be suspended or revoked (in accordance with the provisions of § 6 of the Act, D.C. Code § 2-1906 (1981 Ed.)), the licensee shall be given an opportunity for a hearing at the time and place prescribed by the Director.

903.2 The Director shall notify the Chief of Police of any action taken by the Director with respect to the revocation or suspension of a license.

903.3 If a license has been revoked, the licensee may not apply for a new license prior to the expiration of six (6) months from the date of the revocation.

903.4 When a license is suspended the Director shall give the licensee written notice of the suspension, the effective date of the suspension, and the length of time during which the suspension shall apply.

903.5 At the time a license is either suspended or revoked, the licensee shall mail a notice, postage prepaid, to the pledgor of each pledged article on the licensee's premises stating that the license is suspended or revoked, the effective date of the suspension or revocation, and shall advise each pledgor that his or her pledge may be redeemed in accordance with the contract then in force.

903.6 No new contract or extension shall be entered into between the licensee and any pledgor after the effective date or suspension or revocation.

CDCR 16-904 (2004)

16-904. ANNUAL REPORT

904.1 The annual report, which each licensee is required to file on or before the fifteenth (15th) day of March in accordance with D.C. Code § 2-1907(b) (1981 Ed.), shall be filed with the Director.

904.2 The annual report shall be made in writing, under oath, and shall contain the following:

(a) The number of loan transactions, which shall include the number of each of the following:

(1) Redeemed pledges;

(2) Unredeemed pledges; and

(3) Pledges liquidated through auction, including amount realized at auction and surplus or shortage, if any, resulting from auction sale;

(b) Total amount of cash loaned;

(c) Cash balance on hand;

(d) Total interest collected; and

(e) Any other pertinent information which may be required by the Director.

CDCR 16-905 (2004)

16-905. PAWN RECORD LEDGER

905.1 Each licensee shall maintain a pawn record ledger in a form to be approved by the Director.

905.2 All transactions in each annual period shall be entered in the ledger by pawn number in strict consecutive numerical order.

905.3 All entries shall be in ink and written in the English language.

905.4 Each entry in the ledger shall contain the following information:

(a) The number of pawnticket;

(b) Date of each transaction;

(c) A description of the article pledged;

(d) The amount loaned;

(e) The name and address of the pledgor;

(f) A description of the pledgor, as required in D.C. Code § 2-1911 (1981);

(g) The date redeemed;

(h) If unredeemed, the date and disposition at auction; and

(i) The amount collected by redemption or auction of each pledge.

CDCR 16-906 (2004)

16-906. PAWNTICKETS

906.1 At the time of receiving a pledge the licensee shall deliver to the pledgor a pawnticket, in accordance with D.C. Code § 2-1912 (1981 Ed.).

906.2 The pawnticket shall be printed in a form approved by the Director.

906.3 Each pawnticket shall be serially numbered by the printer, shall contain two (2) parts, one of which shall be retained by the licensee, at all times, and one of which shall be given to the pledgor at the time of the original pledge.

906.4 Both the pledgor's ticket and the part kept by the licensee shall contain the following:

(a) The name and address of the pledgor;

(b) A description of the pledge;

- (c) The date of the transaction;
- (d) The amount and duration of the loan; and
- (e) The rate of interest charged.

906.5 If a pledgor desires an additional loan or an extension of a loan on any pledge in the possession of the licensee, the licensee shall require the surrender of the outstanding pawnticket.

906.6 Upon surrender of the original pawnticket under § 906.5, the licensee shall issue a new pawnticket in the amount of the loan, including any additional loan, and shall follow the procedure prescribed for the issuance of the original pawnticket.

906.7 Whenever a new pawnticket is issued upon the making of an additional loan or an extension of a loan on a pledge in the possession of the licensee, the licensee shall enter a notation on the surrendered ticket and at the appropriate place in the pawn record ledger of the number of the newly-issued pawnticket.

906.8 When a pledgor surrenders his portion of the pawnticket to the licensee, either on the redemption of a pledge, or upon the making of an additional loan or an extension of a loan on a pledge in the possession of the licensee, the licensee shall retain and file the pledgor's portion of the surrendered ticket in numerical order.

906.9 The licensee's portion of the pawnticket shall at all times be kept and filed in alphabetical order according to the pledgor's name.

CDCR 16-907 (2004)

16-907. LOST, DESTROYED, OR STOLEN PAWNTICKETS

907.1 Whenever any pledgor notifies the licensee who issued a pawnticket that the ticket has been lost, destroyed, or stolen, the licensee, before permitting the redemption of the pledge or before issuing a new pawnticket shall, in addition to satisfying himself or herself or the validity of the claim, require the pledgor to make a written statement of the alleged loss, destruction, or theft of the ticket.

907.2 The written statement shall be signed in the presence of, and witnessed by, the licensee, or the licensee's duly authorized employee.

907.3 The statement shall be filed in the numerical file of pledgor's surrendered tickets in lieu of the lost ticket.

907.4 If the pawnticket is lost, stolen or destroyed, the licensee may make a charge not exceeding one dollar (\$1.00) for the additional service and expense performed or imposed on the licensee in connection with the issuance of a new pawnticket.

CDCR 16-908 (2004)

16-908. COOPERATION WITH POLICE INVESTIGATIONS

908.1 When any member of the Metropolitan Police Department designated by the Chief of Police knows or has probable cause to believe that a pawned article on the premises and in the possession of the licensee is missing or has been stolen, the licensee shall allow that member of the police force to examine any pawn record as well as any pawned article on the premises.

908.2 The licensee shall allow the premises to be searched by the member of the police force in order to locate the missing or stolen article.

908.3 Any authorized member of the police force may take possession of a pawned article in the possession of the licensee which that member of the police force knows to be missing, or knows, or has probable cause to believe to be stolen, on giving a receipt for the article to the licensee.

908.4 The receipt shall include the date, name of the member of the Police force taking the article, his or her rank, and a description of the article being taken from the possession of the licensee.

908.5 The pawned article taken by the member of the police force from the licensee shall be delivered as soon as possible to the Property Clerk of the Metropolitan Police Department where it will remain until such time as ownership or the right to possession, or both, shall have been determined according to law.

CDCR 16-909 (2004)

16-909. CHANGE OF BUSINESS LOCATION

909.1 If a licensee wishes to change the licensee's place of business within the District of Columbia to another location, the licensee shall give written notice to the Director in accordance with the provisions of § 5 of the Act, as amended [D.C. Code § 2-1905(b) (1981 Ed.)].

909.2 When the transfer is authorized, the Director shall amend the license accordingly and notify the Chief of Police.

CDCR 16-910 (2004)

16-910. RATES OF INTEREST

910.1 Except as provided in § 910.2, the maximum rates of interest which a pawnbroker may contract for and receive are as follows:

- (a) Five percent (5%) per month, or fraction of the month, on the first five hundred dollars (\$ 500);
- (b) Four percent (4%) per month, or fraction of the month, on the next five hundred dollars (\$ 500);
- and
- (c) Twenty-four percent (24%) per annum on loans of more than one thousand dollars (\$ 1,000).

910.2 The pawnbroker may exercise an option to receive a charge of two dollars (\$ 2.00) per month instead of interest.

910.3 The interest rates established in §§ 910.1 and 910.2 shall be computed on the maximum amount of the loan.

910.4 No person shall break a loan down into two (2) or more parts for the purpose of applying the maximum interest rate for loans smaller than the total amount borrowed.

History of Regulations since Last Compilation by Agency (July 1998)

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CHAPTER 9. PAWNBROKERS

CDCR 16-911 (2004)

16-911. DANGEROUS WEAPONS

911.1 No licensee may accept a dangerous weapon (as defined by D.C. Code § 22-3201 (1981 Ed.)) as a pledge in a pawnbroker transaction unless the licensee has obtained, in addition to a pawnbroker's license, a license to deal in such weapons as required by D.C. Code § 22-3210 (1981 Ed.).

911.2 Each pawnticket on any loan based upon the pledge of dangerous weapons shall be clearly marked on the face of the ticket as "not transferable" and state that the pledge is redeemable only by the pledgor who has placed the weapon in the custody of the licensee.

911.3 Redemption of a dangerous weapon pledged to secure a loan shall be made only in the manner provided for the transfer of dangerous weapons in D.C. Code § 22-3208 (1981 Ed.).

CDCR 16-912 (2004)

16-912. SALE OF PLEDGES AT AUCTION

912.1 In computing the period of six (6) months after which the licensee may sell the pledge, as specified in the Act, the beginning date shall be the date that the loan was first transacted and custody of the pledge transferred to the licensee.

912.2 The period of six (6) months shall be a period of continuous and uninterrupted possession of a pledge by the licensee counted from the date of the loan transaction.

CDCR 16-913 (2004)

16-913. PENALTIES

913.1 Any person violating any provision of this chapter shall, upon conviction, be fined not more than three hundred dollars (\$ 300) or imprisoned for not more than ten (10) days.

CDCR 16-999 (2004)

16-999. DEFINITIONS

999.1 The words defined in § 1 of the Act (D.C. Code § 2-1901 (1981 Ed.)) shall have the same meaning when used in this chapter.

999.2 When used in this chapter, the following terms and phrases shall have the meanings ascribed:

Pledge - an article or articles or personal property of other valuable thing deposited with a pawnbroker as security for a loan.

Pledgor - the person who delivers a pledge into the possession of a pawnbroker.

Director - the Director of the Department of Consumer and Regulatory Affairs or the Director's agent, representative, or designee.

Chief of Police - the Chief of Police, Metropolitan Police Department of the District of Columbia.